

State of California  
**Department of Health Services**



**GRAY DAVIS**  
*Governor*

February 10, 2003

CHDP Information Notice No.: 03-C

TO: ALL COUNTY CHILD HEALTH AND DISABILITY PREVENTION (CHDP)  
PROGRAM DIRECTORS, DEPUTY DIRECTORS, MEDICAL  
CONSULTANTS, STATE CHILDREN'S MEDICAL SERVICES (CMS)  
BRANCH STAFF AND REGIONAL OFFICE STAFF

SUBJECT: AUTOMATIC REIMBURSEMENT OF RATE INCREASE FOR CHDP  
COUNTY AND COMMUNITY OUTPATIENT CLINICS

Please find enclosed a copy of a letter sent to CHDP county and community outpatient clinics (provider types 01 and 02), which may have been eligible to receive a rate increase as a result of the Orthopedic Hospital Association v. Belshe lawsuit settlement.

As the letter indicates, claims for CHDP health assessments provided to Medi-Cal beneficiaries on or after July 1, 2001, that were paid prior to May 20, 2002, were automatically adjusted to pay the difference between the CHDP base rate and the increased rate. This provision for an automatic adjustment is one-time only. Providers that were owed an adjustment were paid by warrants issued the weeks of December 16, 2002, and December 23, 2002.

The automatic rate increase adjustment was not applied to claims which were in process and were ready for payment between May 20, 2002, and June 13, 2002. Those claims had the adjustment rate automatically applied to the CHDP base rate.

Claims processed for payment after June 13, 2002, were paid based on the amount billed on the PM 160, not to exceed the increased rate. If providers were paid for these later claims at less than the increased rate, they must submit a new PM 160 using the "Balance Due" process as described in the CHDP Provider Manual, Section 511 to receive the increase.



Do your part to help California save energy. To learn more about saving energy, visit the following web site:  
[www.consumerenergycenter.org/flex/index.html](http://www.consumerenergycenter.org/flex/index.html)

Children's Medical Services Branch  
714/744 P Street, P.O. Box 942732, Sacramento, CA 94234-7320  
(916) 327-1400

Internet Address: <http://www.dhs.ca.gov/pcfh/cms>

**Please do not forward this information to your provider network.** Only CHDP county and community outpatient clinics are affected by the rate increase and they have been directly notified by the Children's Medical Services Branch. If you have any questions, please contact your Regional Office Nurse Consultant.

**Original Signed by Maridee Gregory, M.D.**

Maridee A. Gregory, M.D., Chief  
Children's Medical Services Branch

Enclosures

cc: Harriet Taylor, R.N., M.S.  
Children's Medical Services Branch  
1515 K Street, Room 400  
P.O. Box 942732  
Sacramento, CA 94234-7320

Lana Miller, R.N., Ph.D  
Children's Medical Services Branch  
Northern California Region/San Francisco Office  
185 Berry Street, Lobby 6, Suite 255  
San Francisco, CA 94107

Tressa Hayes, R.N.  
Children's Medical Services Branch  
Southern California Regional Office  
311 South Spring Street, Suite 01-11  
Los Angeles, CA 90013

LaVerne Navarro, R.N.  
Children's Medical Services Branch  
Southern California Regional Office  
311 South Spring Street, Suite 01-11  
Los Angeles, CA 90013

State of California  
**Department of Health Services**

January 6, 2003

The Clinic Director  
«Facility»  
«Address»  
«City»

Dear Clinic Director:

In June 2002, you received a letter from the Department of Health Services informing you of the settlement of the Orthopedic Hospital Association v. Belshe lawsuit. This settlement allows your hospital outpatient department (Child Health and Disability Prevention (CHDP) Provider Type 01 or 02) to be paid an increased rate for CHDP program health assessments for fee-for-service Medi-Cal beneficiaries.

As was explained in the June 2002 letter, claims for service on or after July 1, 2001, that were paid prior to May 20, 2002, have been automatically adjusted to pay the difference between the CHDP base rate and the increased rate. This automated adjustment process has been completed. This provision for an automatic adjustment is one-time only.

If you are owed an adjustment, for claims paid prior to May 20, 2002, it appeared in warrants issued the weeks of December 16, 2002 and December 23, 2002. These warrants may have also reflected payment for current services. You will only be able to differentiate the adjustment for other paid claims by the child's name and date of service that appeared on the Remittance Advice Details (RAD) document which accompanied your warrant.

The automated rate increase adjustment was not applied to claims which were in process and were ready for payment between May 20, 2002, and June 13, 2002. Those claims had the adjustment rate automatically applied to the CHDP base rate.

Claims processed for payment after June 13, 2002, were paid based on the amount billed on the PM 160, not to exceed the increased rate. If you were paid for these latter claims at less than the increased rate, you need to submit a new PM 160 using the "Balance Due" process (see CHDP Provider Manual, Section 511) to receive the increase.



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The Clinic Director  
Page 2  
January 6, 2003

If you have any questions about the adjustment, please contact the Electronic Data System at (916) 636-1232 or (916) 636-1233.

Sincerely,

**Original Signed by Maridee Gregory, M.D.**

Maridee A. Gregory, M.D., Chief  
Children's Medical Services Branch